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DIRECTORATE OF INTELLIGENCE

SEPTEMBER 1985

CENTRAL AMERICAN MONTHLY REPORT #26

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PERSPECTIVE*

The forced resignation of Panamanian President Barletta after less than a year in office attests to the fragility of Central America's evolving democracies. While elections in November in both Honduras and Guatemala remain on track, the civilian regimes scheduled to take power next January face a broad array of political and economic problems that will quickly challenge the new leaders. In both cases, the history of politically active militaries and the lack of democratic traditions coupled with serious economic problems could undermine the legitimacy of new civilian governments--just as they undercut Barletta.

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In Honduras the military's--and particularly Armed Forces Chief Lopez's--commitment to keep preparations for the 24 November elections on schedule thus far has thwarted attempts by civilian politicians to derail the process or tamper with electoral rolls. The current military leadership has assumed the role of guarantor of democratic progress given the failure of the civilians to build strong political parties and to reform weak and corrupt government institutions. Although the current high command probably will be able to see the transition process through to completion, we believe the democratization process will remain subject to sudden reversal.

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*Beginning with this issue, the Central American Monthly includes a Chronology of Alleged Human Rights Abuses: Insurgent and Sandinista. This summary will appear each month.

This memorandum was prepared by the Central America North and South Branches, ALA. It was coordinated with the Directorate of Operations. It contains information available as of 1 October 1985. Questions and comments are welcome and should be addressed to Chief, Middle America-Caribbean Division, ALA,

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The current election campaign has highlighted the deep divisions and factional infighting within Honduras' two major political parties and underscored their inability to address the major problems facing the country. With neither the Liberal nor the National Parties able to unite behind a single candidate--the two parties have submitted a total of seven presidential nominations to the National Electoral Tribunal--the victor is likely to win with considerably less than an absolute majority. US Embassy reporting indicates that the campaign so far has been little more than a series of personal attacks among the candidates. No contender has seriously addressed the dismal state of the economy, while some faction leaders--including President Suazo and former National Party chairman Ricardo Zuniga--have concentrated on encouraging the military to suspend the election or disqualify competitors. [REDACTED]

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Armed Forces Chief Walter Lopez has been successful in keeping electoral preparations on track despite the machinations of the political parties. The corruption of the government's electoral oversight agencies and confusion about the constitutionality of the election reform law, however, may yet allow civilians an opportunity to force a postponement, despite broad public support for holding elections as scheduled. Although the military curbed President Suazo's ability to manipulate the political process last May, the US Embassy has reported that he may retain enough influence over the Supreme Court--through the Chief Justice, a political ally--to win favorable judgments on legislation that could disrupt elections by disqualifying certain candidates or scrapping complex voting procedures. [REDACTED]

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In our judgment, the successful completion of elections in November will provide a psychological boost to those committed to Honduras' democratization. The new administration, however, will have a difficult task strengthening democratic institutions, keeping the military on the political sidelines, and reviving the sagging economy. Constant political infighting could easily lead to pressure from civilians and officers alike for the military command, once again, to either become more directly involved in policy formulation or end the latest experiment in civilian government altogether. [REDACTED]

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In Guatemala, the transition to an elected civilian government next January, is taking place amid an increasingly serious economic crisis that will threaten the stability of the new administration. The new President will either have to implement economically necessary but politically risky austerity measures or risk even further economic decline. Although the military at least temporarily appears to have overcome its historical reluctance to cede power to what it sees as inept and corrupt politicians, its longterm commitment remains questionable. [REDACTED]

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With elections set for 3 November, the outgoing military regime is opting for quick economic fixes that will quell further outbreaks of unrest like those that followed a bus fare hike in late August. Chief of State Mejia has raised public sector

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wages, maintained consumer subsidies and enacted price controls, but the US Embassy reported that even these measures fell short of worker demands and provoked grumbling in the private sector. Later in the month, the government's inability to pay petroleum suppliers produced long gas lines and disrupted bus and trucking services. In a more recent development, the US Embassy reported that Mejia fired his key economic advisors--for the second time this year--including those who counseled the need for decisive economic steps. [REDACTED]

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On the political front, none of the 14 legally registered parties has put forward comprehensive economic plans or attempted to build support for future economic austerity. Both front running parties--the Christian Democratic Party and the National Centrist Union--reportedly are acceptable to the military in part because their candidates are seen as moderates who do not represent, as of yet, a serious threat to the military or to Guatemala's economic elite. [REDACTED]

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The new civilian government--concerned about not alienating powerful interest groups--is likely to count on infusions of foreign aid to alleviate deteriorating economic conditions. Such outside assistance, however, almost certainly will require the government to sign an IMF agreement that requires currency devaluation, tax increases and reduced consumer subsidies. In addition, the new leaders must contend with the military, which probably will resist any attempt to diminish its control over the insurgency campaign, civil defense patrols, military spending and institutional matters including officer promotions and naming a defense minister. [REDACTED]

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NICARAGUA



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On the political front, the Sandinistas touted the "democratic character" of the forthcoming constitution while stepping up harassment of some opposition sectors. Consultations with legally recognized members of the political opposition proceeded while pro-regime public interest groups continued to comment on the proposed constitutional provisions. The drafting commission, organized last month, traveled throughout South America and Europe to consult various governments on its contents, although its reception was less than enthusiastic. The regime hopes to present a final version for approval before year's end. 

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Although President Ortega reaffirmed publicly on 5 September that the draft constitution under review would institutionalize a "pluralistic" system of government, he accused members of the unrecognized opposition--political parties that boycotted the 1984 election--of serving as an internal front for the armed insurgents. The next day the government banned a long-planned businessmen's meeting intended to cap a series of local rallies and to mark the birthday of a private sector leader killed by Sandinista security forces in 1980.  

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[redacted]

As Catholic Church leaders also stepped up anti-regime criticism, the Sandinistas have countered with increased pressure on the hierarchy. Cardinal Obando y Bravo continued to draw huge crowds as he toured Nicaragua and reiterated his call for national reconciliation. To mute his impact, security officials--selectively enforcing a law requiring prior censorship of broadcast sermons--entered the Catholic radio station in Managua and disrupted the transmission of two of Obando's sermons. In another effort to undercut the traditional Church hierarchy, the regime moved to bolster the pro-Sandinista "popular Church" with a week-long "World Meeting of Christians" dominated by sympathetic clergy from abroad. In response to criticism from the president of the Nicaraguan Episcopal Conference while traveling in Europe, Managua levied a veiled threat against the hierarchy, which it accused of supporting the insurgents' internal front. [redacted]

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Mounting economic woes also have prompted tough rhetoric and strong-arm tactics from the Sandinistas. In the face of growing rice shortages, the Ministry of Agriculture seized 2,500 tons of rice from several private processing and distribution facilities as well as from some private producers who were withholding supplies to drive up prices sufficiently to cover costs, according to the US Embassy. [redacted]

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[redacted] the government is prepared to nationalize private holdings, especially in the agricultural sector, at any time. In mid-September, Nicaraguan Minister of Agriculture Wheelock told a group of businessmen and government officials that the role of the private sector is to produce more at a lower cost. [redacted] The Minister further stated that auditors would be tasked to check each private enterprise frequently to ensure full compliance with the tax laws. [redacted]

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September was also punctuated by several other signs of continuing discontent. The size of the private sector meetings--some of which attracted up to 400 disgruntled businessmen--underscored the gradually increasing willingness of some Nicaraguans to demonstrate more openly against regime policies. [redacted]

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[redacted] 1,000 state employees were fired from their jobs for refusing to participate in required political marches in late August. Although renewed conscription has not yet led to the resumption of anti-draft demonstrations, the induction of 11 seminarians may provoke a popular reaction. [redacted]

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COSTA RICA

In early September, President Monge proposed a plan for regional economic integration to include reduced regional trade barriers, joint negotiations with the IMF and other multilateral organizations to increase funding and modify stabilization conditions, and generous financial support to the area. The scheme specifically excluded Nicaragua and blocked any participation by the Contadora countries--Colombia, Venezuela, Mexico, and Panama. Monge's proposal, in our view, is intended on the economic side to revitalize the private sector and find a common position in dealing with foreign creditors. On the political side, we believe San Jose is seeking to isolate the Sandinistas further and

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[redacted]

to signal the Contadora mediators that the other Central American countries would resist any bias toward Managua in regional peace talks. Honduras, El Salvador, and Guatemala responded favorably and Monge apparently hopes the plan could be implemented within six months. San Jose intends to forge ahead by seeking a bilateral trade agreement with San Salvador, although technical negotiations and internal elections in Honduras and Guatemala will likely delay regional approval. Closer economic ties among the Core Four could help to boost regional trade and financial flows but not sufficiently, in our view, to spur significant area economic growth. [redacted]

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EL SALVADOR

The kidnaping of President Duarte's daughter on 10 September and the seizure by guerrillas later in the month of eight town mayors underscored the insurgents' current focus on urban terrorism and may signal a new wave of kidnapings designed to extort money or win release of captured prisoners. Nearly three weeks after the kidnaping, the perpetrators have admitted belonging to the insurgent alliance but have refused to link themselves to a specific faction, probably fearing retaliation. Although we believe the kidnaping probably has provoked considerable discussion--if not dissension--within the insurgent movement, the guerrillas so far have managed to keep such disputes out of the public eye. [redacted]

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The Duarte government has moved cautiously and indicated a willingness to release at least some two dozen prisoners in return for his daughter. Although the government--with the concurrence of the military--met several guerrilla conditions for negotiations, it has not ceased military operations in the countryside or cities, as demanded. [redacted]

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Although we believe the insurgents hope to drive a wedge between Duarte and the military, the President has been careful to keep the military apprised of his strategy. For their part, the security forces publicly have backed the President in his decision to negotiate, although some officers reportedly have disagreed. We believe the military probably will insist that the captured mayors as well as military personnel taken this year also be released. By so doing, they can portray any swap as a prisoner exchange rather than a capitulation to rebel demands. [redacted]

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[redacted] the guerrillas are continuing to plan terrorist attacks against US personnel and Salvadoran civilians in the capital. US dependents reportedly have been under surveillance since early September by unknown persons, according to the US Embassy, and counter surveillance teams are now trailing Embassy vehicles. [redacted]

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PANAMA

Defense Chief Noriega late last month pressured President Barletta to resign, and First Vice President Eric Delvalle assumed office on 29 September. Noriega apparently believed Barletta did not adequately protect the military from opposition demands for a special commission to investigate the murder of Hugo Spadafora--a former Vice Minister of Health and longtime critic of the Defense Chief--after his detention by Panamanian border guards at mid-month. Noriega accused the opposition of exploiting the incident for "seditious" purposes,

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Delvalle has quickly addressed military concerns, implying he would not appoint a special commission. Nonetheless, because he lacks a political base and the confidence of the Defense Forces, we believe his position remains fragile. In addition, Noriega himself may be at some risk. While he was traveling in Europe,

Although the military appears to have united behind Noriega for the moment, plotting might resume if the Spadafora case sparks widespread demonstrations or violence.

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The new administration also faces immediate economic problems. According to US Embassy reporting, World Bank officials say Panama will not receive an expected \$60 million structural adjustment loan this year because of insufficient progress on labor and industrial reforms. Failure to obtain this loan will jeopardize an IMF standby arrangement and additional private-sector lending. Nonetheless, Delvalle already has backed away from Barletta's austerity package, and Noriega is unlikely to push for unpopular measures while the military is under fire.

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REGIONAL NEGOTIATIONS

Honduras, El Salvador, and Costa Rica were encouraged, although probably somewhat prematurely, by the Contadora mediators' presentation of a new draft treaty at the mid-September meeting and their call for renewed multilateral negotiations. Despite indications last month that the Contadora countries--Colombia, Mexico, Panama, and Venezuela--believed the three countries were posing obstacles to the process, a Honduran foreign ministry official told the US Embassy that many of their concerns were met by the new initiatives, reversing the pro-Managua bias of the mediators. The Hondurans cited as positive the limitation of the talks to treaty implementation and verification on security and political issues, arms control, and military maneuvers--believing that Managua will be prevented from demanding agenda changes. Some Costa Rican officials claim the treaty is virtually complete and will effectively constrain the Sandinistas. Similarly, the Salvadorans predict the Nicaraguans will be on the defensive. Guatemala remains on the sidelines, skeptical that any progress will be

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made. Managua, for its part, views the mediators now as more responsive to the others' concerns, [redacted] and feels it faces some pressure from the support group--Argentina, Brazil, Peru and Uruguay--on political liberalization. Nevertheless, both sides may be overplaying the situation. El Salvador, Honduras, and Costa Rica are unlikely to impose significantly tougher treaty provisions, and the mediators probably will press for concessions and final treaty approval from both sides. Although the Sandinistas would prefer the more favorable terms of the September 1984 draft, they probably would accept this version and its still weak verification terms. [redacted]

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NICARAGUAN TRIPS/VISITS

22 August

Nicaraguan Misurasata leader Brooklyn Rivera, along with Indian leaders from other countries, speaks out for rights of Central American Indians at press conference in Norway. [redacted]

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30 August

Former Costa Rican President Figueres visits Nicaragua on "peace mission." [redacted]

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2-15 September

Six-member Nicaraguan delegation visits Colombia, Panama, Argentina and other Latin American countries seeking support for Nicaragua's planned new constitution. [redacted]

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13 September

Nicaraguan Foreign Minister D'Escoto and Vice Foreign Minister Tinoco attend Contadora meeting in Panama. [redacted]

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20 September

Austrian State Secretary Dohnal visits Managua for talks with regime leaders. [redacted]

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20 September

Nicaraguan Foreign Minister D'Escoto travels to New York to attend 40th UN General Assembly. [redacted]

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20-28 September

Nicaraguan delegation visits Cuba and Mexico for discussions on the constitution. [redacted]

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23 September

Vice President of World Peace Council visits Managua to express solidarity with regime. [redacted]

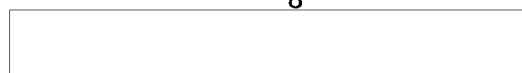
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[Redacted]

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SIGNIFICANT NICARAGUAN POLITICAL EVENTS

September 1985

30 August	Delegates of Seventh Miskito Assembly agree to establish unified organization known as Kisan, Unity of All Nicaraguan Coastal Indigenous People. [Redacted]	25X1
31 August	Period for comments on draft constitution extended until the end of September. [Redacted]	25X1
12-13 September	Contadora and Central American Foreign Ministers meet for continuation of peace talks. [Redacted]	25X1
12-17 September	Nicaraguan Chief Counsel Carlos Arguello, Deputy Interior Minister Luis Carrion, and former FDN leader Edgar Chamorro speak before International Court of Justice alleging US involvement in military actions against Nicaraguan Government. [Redacted]	25X1
12 and 25 September	Regime blocks rebroadcast of Cardinal Obando y Bravo's homilies. [Redacted]	25X1

[Redacted]

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[Redacted]

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NICARAGUA HUMAN RIGHTS CHRONOLOGY

At the International Court of Justice (ICJ), witnesses called by Nicaragua--including a former anti-Sandinista guerrilla leader--devoted considerable attention to human rights abuses allegedly committed by the rebels. Meanwhile, the insurgents reiterated their determination to respect human rights, and a Sandinista defector, who had served as an Interior Ministry investigator, came forward with details of the regime's institutionalization of human rights abuses. 

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Alleged Insurgent Abuses

5 September

According to the US Embassy in Managua, "Americas Watch" claims to have confirmed the execution of 11 Sandinista soldiers by insurgents operating in Chontales in early August. 

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10 September

The pro-Sandinista press accuses Misura rebels of kidnaping local residents. 

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The government press reports that two guerrillas who accepted the Sandinistas' offer of amnesty went public with accounts of rebel human rights abuses. 

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11 September

According to the Sandinista press, a peasant from the Bluefields area claims that he and others were kidnaped and forced to raise crops for the rebels for nearly a year before they escaped. 

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12 September

In the ICJ case, Edgar Chamorro, a former FDN leader who was removed from the FDN directorate in 1984, testified that on entering a town the guerrillas routinely executed anyone suspected of collaborating with the Sandinistas, including teachers, farmers, and health workers. 

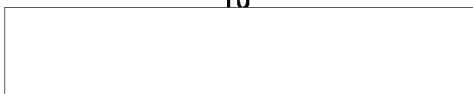
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12 September

Managua radio reports that insurgents attacked a truck driven by civilians in the north, killing the driver and injuring a passenger and his 10-year-old son. 

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[redacted]

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Pro-regime press reports that two Army deserters who briefly stayed with the insurgents alleged that the rebels kidnaped peasants and forced them to carry heavy loads. [redacted]

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14 September

In an interview with the US press, the FDN's new attorney general in charge of investigating abuses denied Sandinista charges and reiterated his determination to punish troops guilty of hurting civilians. [redacted]

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16 September

The Nicaraguan press claims that rebels killed 100 civilians during recent fighting in the north. [redacted]

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[redacted]

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23 September

The FSLN press reports that a mine placed by insurgents along a northern road destroyed a truck on 22 September, killing 13 civilians. [redacted]

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23 September

Sandinista press claims that the insurgents had assassinated 11,000 Nicaraguans since 1980. [redacted]

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Alleged Sandinista Abuses

[redacted]

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4 September

The regime releases an independent labor union leader who had been held illegally, according to the US Embassy. [redacted]

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[redacted]

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5 September

The US Embassy reports that children born of Nicaraguan parents but holding US citizenship have been denied ration cards, which are necessary to obtain milk and other staples. [redacted]

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[redacted]

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[redacted]

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10 September

The US Embassy reports that the popular tribunals, which have traditionally meted out long prison terms to those convicted of counterrevolutionary activities, have started giving shorter sentences to reduce international criticisms. [redacted]

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12 September

[redacted] Sandinista troops operating in Chontales attacked a group of young people, beating the men and raping some of the women. [redacted]

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17 September

The US Embassy reports that after six months the Sandinistas released the wife and mistress of a prominent defector, who were being held to force his return. Both women were physically abused while in custody. [redacted]

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18 September

According to a Costa Rican newspaper, FDN Commander Enrique Bermudez says that the regime uses civilians and prisoners as "human shields" to ring towns and that they are placed on lead trucks in convoys, which are always the first attacked. The dead bodies are then displayed for propaganda purposes. [redacted]

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18 September

A Sandinista defector who had served as an Interior Ministry investigator publicly implicates Interior Minister Borge and Vice Minister Carrion in the deaths of thousands of civilians, including east coast Indians killed in mass executions. [redacted]

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21 September

[redacted] told him Sandinista soldiers had shot a government worker for refusing them a ride in his truck. [redacted]

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25 September

The US Embassy in Managua reports that statistics compiled by the independent Permanent Commission for Human Rights indicate 480 Nicaraguans disappeared between 1981 and mid-1985. The commission claims the Sandinistas were implicated in all but 17 of the incidents. [redacted]

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26 September

Church officials in Managua tell the US Embassy that security officials disrupted the rebroadcast of a sermon by Cardinal Obando y Bravo. The head of the government censorship office told the clerics that tapes would have to be submitted for clearance before broadcast. [redacted]

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[redacted]

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[redacted]

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[REDACTED]

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COMING EVENTS IN CENTRAL AMERICA DURING OCTOBER

30 September Salvadoran Vice President Castillo Claramount begins state visit to US and United Nations in New York. [REDACTED]

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7 October Contadora negotiating session opens to discuss third draft treaty.

[REDACTED]

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9 - 11 October Queen Elizabeth II visits Belize. [REDACTED]

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20 October Nicaraguan state of emergency comes up for renewal. [REDACTED]

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CHRONOLOGY OF ARMS FLOW INTO EL SALVADOR

Nothing to Report.

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